

From: R D <rdubois3@gmail.com>
Sent: Monday, March 1, 2010 1:11 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

re: RIN 3038-AC61

To Whom it May Concern-

While many of the proposed changes will be of benefit, the primary area that concerns me is the proposed changes to the leverage amounts. While some forex traders foolishly leverage their accounts at 100:1 or higher, a vast majority of us do not. Similarly, only bigger investors can afford to leverage at the less risky 10:1. I feel that these proposed changes, while well intentioned, will have an adverse effect on the domestic market, by driving investments toward foreign competitors or encouraging fraud.

I believe that oversight is necessary, but that the burden should be on the forex brokers and dealers and not on the individual customer. For the consumer, education will be a much more useful tool than leverage restrictions.

If fiscal responsibility of the consumer is the end goal, then our country would likely be better served by eliminating payday loans and check-cashing businesses. I speak this facetiously, of course, and would always promote education and positive role modeling over any attempts to dictate status quo.

I am including a copy of the letter that I have sent to my Congressional Senators and Representative:

"[Senator/Representative Name]-

On 01/13/10, the CFTC (Commodities Futures Trading Commission) requested Public Comment on proposed regulations regarding retail FOREX transactions (Release 5772-10).

While this market could definitely benefit from better and more comprehensive oversight, one of the included proposals to limit 'leverage' to a 10:1 ratio could damage this emerging market by driving consumers to foreign competitors, or worse, to engage in fraudulent behavior.

Although higher leverage ratios (100:1 or greater) are seldom utilized by seasoned investors, many of the small or 'micro' investors will use ratios of 30:1 or 50:1 to get a reasonable return for their money.

The goal of this proposal should be to improve integrity and transparency at the FOREX dealer/broker level and not include the end consumer.

The consumer themselves would benefit more from education so that they can determine an appropriate level of risk suitable for their own individual situation.

While I largely support this proposal, I do oppose the recommendation that leverage be limited to 10:1 and I hope that you will as well.

Thank you!

R Dubois"

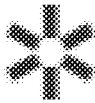
Sincerely,

R Dubois

From: Ernest Scott <scott_bills@me.com>
Sent: Monday, March 1, 2010 1:21 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex
Attach: CFTC Comment.pages

Please find the attached letter of comment

Handwritten signature or scribble, possibly reading "M. J. Smith" or similar, written in black ink on a white background.



214 INVESTMENTS

P.O. Box 70247
Albuquerque, NM 87197

T 505 918 2988
F 505 345 2767
email@214investmentsllc.com

February 28, 2010
David Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street NW
Washington, DC 20581

Mr Stawick,

As a long time investor and trader of options and Futures I would like to offer my comments on the proposed rule changes to implement the CFTC Reauthorization Act of 2008. The "CRAA", in general the rule changes that would require counterparties to retail forex transactions to register as retail foreign exchange dealers (RFFED's) and meet requirements for registration, disclosure, record keeping, financial reporting, and minimum capital standards are long overdue in the retail forex space. With public disclosure and easy access to data regarding RFFED's, these rules, I believe, will significantly reduce the counterparty risk that is now inherent in this space.

However the one regulation that concerns me is regulation "4.12 Exemption from provisions of part 4". The rule if implemented in it's current form, would require retail investors to put up significantly more capital per forex position than what is required now. Although, in general, it is better to put up a larger amount of capital per position, which helps a trader to avoid margin calls, the retail trader, because of their small account size, cannot effectively trade their accounts without using significant leverage. Thus the retail trader will go where they can get most leverage. In other words they will engage in regulatory arbitrage using now unregulated forex dealers outside the United States and it's regulatory structure. This is a concern because these new dealers will not be subject to the reporting requirements of the United States or any regulatory body, thus giving the small retail trader no way to ascertain who their counterparty is. In this case the total loss of trading capital to a bad counterparty is significantly increased.

The best solution, in my opinion, is to leave the leverage rules as is and give the retail trader good money management tools and techniques along with solid training in the use of these. I say this because if found that good money management techniques were infinitely more important than leverage in my trading results. By allowing the retail trader to effectively trade, through the use of greater than 10:1 leverage and good money management techniques, a small account with a regulated and well capitalized RFFED has, in my opinion, less risk of a total capital loss to over leverage than to a bad counterparty.

Sincerely yours,

Ernest Scott



414 INVESTMENTS

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T 505 918 2988
F 505 345 2767
email414investments@me.com

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Sincerely yours,

Ernest Scott

From: email414investments@me.com
Sent: Monday, March 1, 2010 2:24 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex
Attach: CFTC Comment Word.doc; ATT00002.txt

This is a resend of pervious comment in word format

**414 INVESTMENTS**

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Albuquerque, NM 87197

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David Stawick
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Sincerely yours,

Ernest Scott

From: Capital Currency Trading Group Inc. <bud1234@rogers.com>
Sent: Monday, March 1, 2010 8:42 AM
To: secretary <secretary@CFTC.gov>
Cc: investigations@forexpeacearmy.com
Subject: Forex 10 :1

Sirs,Madam....By implementing this rule all you are doing is making this market illiquid.....Now the US banks will have a hay day manipulating this market....Have they not caused enough damage to the US and World economies????...By the government giving them more power...especially in forex..They r the only ones who will be able to invest in thi s market.....Please I do this for a living...The retail investor deserves the same advantages as the huge banks...

Thank you...

Denis Chalifoux.

From: Parakrama Weerasinghe <parakramaw2004@yahoo.com>
Sent: Monday, March 1, 2010 10:01 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Sir / Madam

I am a retail forex trader and came to know about the new proposed regulation regarding leverage limits.

As a retail forex trader I do not agree with your proposal of lowering the leverage from 100 to 10.

This will totally discourage traders like me as we have to invest a big amount to get the profit we generate now from a small account.

Please treat this email as a protest against the new bill.

Thanking You,

Yours Truly,

Parakrama Weerasinghe

From: Jeff Roberts <iamfxready@gmail.com>
Sent: Monday, March 1, 2010 12:23 PM
To: secretary <secretary@CFTC.gov>
Subject: "Regulation of Retail Forex"

I am very concerned about the proposal to increase the margin requirements for Retail Forex, for more than one reason.

First, on the personal level, I have been training for a year to be a trader. I am about to launch my trading business as a corporation.

A new regulation like this would severely limit my ability to grow my trading account.

I am 60 years old, my retirement savings are not going to last a lifetime.

Yet, now after this year of intense study and training I am confident I know how to manage the realities of leverage and loss control. I am confident I can do this and do well.

What alternatives do I have? Even though I am smart and technically skilled, no one is going to hire me at my age.

And, I am not alone...there are likely hundreds of thousands like me in my age group with no employment future....and probably millions of younger Americans who will be unemployed or underemployed for a long time. The jobs shipped to India (tech jobs) or China (manufacturing) are not going to come back.

In response to this, many, many US Citizens are learning to trade. Some are going to do well, if you don't change the regulations. There is an infrastructure being built out now in the educational and brokerage firms, and even the banks, that are preparing to serve this new demand. Please take a look at this. It is not small.

Those people who are suited for the career of trading, allowing themselves to become well prepared, practiced, and trained, will have self created jobs, they will be paying local taxes, and Federal taxes. They won't need unemployment, and they have money to spend in their local economies. Not only that, they can work from home, creating less demand for oil, and less traffic.

(Not everyone will have an aptitude for this work...but many will.)

The use of leverage in the Forex retail market is a beneficial thing to a person with the right skills to use it. It is not like giving a mortgage to someone who has no money. And, it is not the same as the leverage created by the Investment Banks that caused the financial system to almost collapse. It is not the same dynamic, and its scope is very small. Please don't make the mistake of seeing all leverage as evil. The leverage in the Forex market, if used wisely, allows a well trained individual to create an income for himself, and his family, without relying on the external job market, and without the need to have a million dollars to invest.

BUT, beyond that...there is now an infrastructure being built in the US to serve the retail Forex trader. If you implement the higher margin requirements, first this infrastructure and all the jobs that it is creating, is about to create, and will be creating, and all the tax revenue that goes with the business income, and those jobs, is going to disappear. It will never form.

Instead it will grow outside your jurisdiction. You will be giving all the transaction business to London or Switzerland, or even in the future, to Hong Kong or Singapore. Or Australia or New ZealandI'm sure they would love to have the business. The only limitation is how they can access the fastest internet backbones.

There are already very good, highly regulated Swiss Forex brokers, more than willing to accept the US customers you would be pushing away. The same for London.

(By the way, London probably has more Forex transactions than the USA in any given day. The US is the second market.)

If the US Forex Retail Trader moves his accounts to London or Zurich, that in turn would force US Retail Forex Brokers, if they wanted to stay in business, to move offshore outside your regulation, taking the jobs with them, and the payroll tax revenue, if not more.

You have a tremendous opportunity here to allow the formation of a new industry in the United States....one where well trained individuals (i.e. "taxpayers") can participate in the truly massive and dynamic world's currency markets, having equal access as the worlds largest banks. This type of access is relatively new...with a new type of Retail Forex Broker building out the infrastructure and creating a base for secure and integrous transactions required by the Forex trader.

Really, I cannot see any positive outcome for our country, if these regulations are implemented.

Actually I would suggest the opposite....keep the margin requirements as they are, and institute college level trainings for a person to enter the self-employed trading profession, so, if they are capable, can compete against the giants with success. The tax system and local economies will thank you.

Thank you.

From: raw_ljw <wink823@att.net>
Sent: Monday, March 1, 2010 12:31 PM
To: secretary <secretary@CFTC.gov>
Subject: "Regulation of Retail Forex" - Identification number RIN 3038-AC61
Attach: CFTC Ltr_01-22-10.pdf

David A. Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Mr. Stawick,

I have attached a letter regarding the above subject.

Respectfully,
Rance Winkler

January 23, 2010

Via Electronic Mail: secretary@cftc.gov

David A. Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Re: "Regulation of Retail Forex" - Identification number RIN 3038-AC61

Dear Mr. Stawick:

I am writing to you (CFTC) to record my protest over the referenced rule proposal. I believe that the traders' community, as a whole is joining hands to show our concerns and request that you vote down this vicious rule proposal by CFTC.

Summary

Basically, if implemented, the proposed changes could have the opposite effect from what the CFTC is trying to achieve. All you do is drive legitimate traders like me off shore, and what you still have left in the U.S. are the fraudulent dealers who don't operate within the law anyway. It will cost US jobs, US tax revenue, and more traders will get ripped off by brokers outside of US jurisdiction where there is less regulation, so it does more harm than good!

In my opinion, the cure is EDUCATION, not restricting what people can and cannot do with their investment decisions. As with any investment strategy, you are responsible for what you do with your money and that includes investigating those you will have to ultimately partner with and trust in the process. Government was invented to protect people and their property, not to limit their potential! This is a classic example of government over regulation. The United States of America is the land of the free, where each forex trader should be able to make their own EDUCATED decisions about their money.

Background

I believe it is important to give some context to the situation we are currently in here, but the history of regulation in the U.S. foreign exchange market is a long and complex one, so I will be brief. In 2004 the federal court in the U.S. ruled that the CFTC (Commodity Trading Futures Commission) could not target fraud cases in the OTC forex markets because they were outside its remit. Then in 2008 the U.S. Congress

passed legislation that returned regulatory authority of the forex markets back to the CFTC after a flood of cases involving fraudulent foreign exchange dealers targeting retail investors.

That's when the NFA (National Futures Association) came into being. Andrei Pehar, Chief Currency Strategist at fxKnight.com says "What happens is the NFA suggests these rules, and the CFTC accepts and enacts them (the CFTC fully admits forex is not their area of expertise, which is why they originally empowered the NFA to take this area over). The problem is that the NFA is NOT a consumer protection agency. They are a trade organization made up of, funded by, and created to further the interests of... futures brokers - National Futures Association. And there's no denying that retail forex competes directly with their members' business interests... It gets worse! Starting April 1st, the NFA intends to try and start legislating across borders, by forcing offshore brokers and IBs to register with them as well.

Discussion

To achieve regulation and crack down on the tremendous amount of scams, the CFTC wants to include the ruling passed by the NFA last year that all foreign exchange dealers are registered with a regulator. This has been welcomed by dealers, so too has the proposal to impose a minimum capital requirement of \$20 million dollars in order to be a registered broker in the U.S. which acts as a capital cushion to protect consumers and is an important step towards regulating the industry. Also in November of last year the NFA already reduced the leverage ratio for foreign exchange trades from 400:1 to 100:1. But now the proposal to slash the amount of leverage from 100:1 to 10:1 has unleashed an outcry from brokers and dealers alike.

This new CFTC ruling, if enacted, would mean that a client would need to increase the amount of money they post in a security deposit account held with their dealer to 10 percent of the value of each trade from the current level of about one percent. This would mean that for every \$10 you want to trade on foreign exchange you have to post \$1 as a security. This move was unexpected because leverage limits were dramatically reduced six months ago by the NFA, the CFTC's voice to the forex industry in the U.S..

On January 20th, an FXCM client wrote: FXCM sent a letter out to all their clients actually stating they oppose this and asking them to write to the CFTC. I'm amazed... I've heard individual people who work there grumble about the rules (off the record), but I have never seen a big company like this take such a public stance on an issue.

I'm still waiting on FXDD to do the same, especially since just 2 months ago they received their licensing with the NFA. Must be great to get a license with the same group that's going to put you out of business in just a few more months!

Conclusion

The Foreign Exchange Dealers Coalition (FXDC), which is made up of nine major firms, is working on a unified response to the CFTC's proposals. The coalition is trying to ensure a balance between protecting the consumer whilst not stifling business. The FXDC affirms on its statement that the U.S. \$1 billion industry is in danger if CFTC proposal passes. "This revenue is money generated from a product that is in many ways an export. Furthermore, as capital markets open in the BRIC countries the number of new accounts that will flow out of places like China and India will lead to huge job and revenue gains in the United States." *The Foreign Exchange Dealers Coalition says - "Trillions of dollars of trade volume are at stake. This is money that could (and should) be booked in the United States as taxable revenue. But if this rule passes the United States could well be costing itself billions of dollars in taxes down the road."*

Excerpt from an FXDC letter last week:

"The case against the 10 to 1 leverage rule is clear. The rule will be a boon to foreign forex dealers (both regulated and unregulated) who will grow entirely at the expense of retail forex dealers in the United States. Thousands of high paying jobs will be lost and the potential for tens of thousands of more jobs will forever vanish as well. Consumers will be hurt and more vulnerable to fraud. And the United States will toss away one of the most promising export industries that it has, all in the midst of 10% unemployment. There is no good reason that this should be so."

Respectfully submitted,

/s/ Rance A. Winkler

Rance A. Winkler

From: jamie_s_weir@yahoo.co.uk
Sent: Monday, March 1, 2010 12:40 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Secretary,

I have read with great interest your proposals for regulating the retail foreign exchange market. Whilst areas of the proposed regulation would help retail traders, I also feel that parts of it are quite insulting to us. If we feel the need to only use leverage of 10:1, then we are able to choose that, and I do not agree that you should impose restrictions on us when we are investing. Will you also be limiting hedge funds and investment banks to 10:1 leverage? If these proposals are to go ahead then I shall move my money offshore without a moments hesitation, which will further deprive your economy of jobs at a time when you need every little bit of investment. That's not a threat, but merely a reflection of my sadness that your government would feel the need to meddle and play the role of 'nanny' state who feels they know better.

Regards,

Jamie Weir

Sent from the awesome BlackBerry® wireless device of Jamie

From: Gavin J Pearson <gavin@jeepson.co.uk>
Sent: Monday, March 1, 2010 12:44 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Hi,
I would like to register my disapproval of the proposed limits on leveraging.

Regards,
Gavin

gavin@jeepson.co.uk

From: Erik <eogaard@hotmail.com>
Sent: Monday, March 1, 2010 12:53 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

If you change the leverage amounts to 10:1 for US based brokerages you will be effectively closing the US market to the Forex and eliminating all of those brokerage jobs. I thought we were trying to create jobs in the US not eliminate them? Nobody and I mean Nobody will use US based brokerages.

Erik Ogaard
Forex Trader

From: spodie11@optonline.net
Sent: Monday, March 1, 2010 1:04 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

ID Number: **RIN 3038-AC61**

To Whom It May Concern,

I recently received word that the U.S. Commodity Futures Trading Commission (CFTC) announced that it is considering proposed regulations concerning the security deposits in a minimum amount in order to prudentially limit the leverage available to their retail customers on such transactions at 10 to 1. Currently, the leverage afforded to retail customers is established at 100 to 1. The current standard allows for an individual investor, such as myself, to engage in actively trading the FOREX market without a considerable equity requirement. Many individuals are not nearly liquid enough to absorb such a drastic leverage reduction. I have spent many years researching and paper trading before going live in the market and I cannot see how this regulation, if enacted, would allow any individual, to continue trading FOREX and consider this market as a means of active investing. I am oppsoed to this measure and hope that the CFTC allows individual investors to choose the approvpriate amount of leverage based on our trading style, level of comfort and risk assessment. Thank you and I hope these comments have been helpful.

Andrew Stor

From: Steve Gaines <sgaines44@yahoo.com>
Sent: Monday, March 1, 2010 1:07 PM
To: secretary <secretary@CFTC.gov>
Subject: Commodities Margin Regulations

I am opposed to reducing the margin requirement on commodities to 10:1. 100:1 is a reasonable level based on the volatility of commodities such as foreign exchange products. If you make this change I will move my account from my current US brokerage to a foreign brokerage with higher margin levels. And I will be voting in November and I will remember what the administration and congress do about this change. The head of the CFTC should lose his job for proposing this change.

Stephen Gaines
Dallas, Texas

From: ngdaniel1@gmail.com
Sent: Monday, March 1, 2010 1:09 PM
To: secretary <secretary@CFTC.gov>
Subject: Public Comment Form

Below is the result of your feedback form. It was submitted by
(ngdaniel1@gmail.com) on Monday, March 01, 2010 at 13:09:18

commenter_subject: CFD Trading

commenter_comments: It appears that America's so-called freedom to
trade does not exist. The rest of the investment
world hates US residents and does not allow us to
trade CFD products, participate in high leverage
trading at 400:1 and 500:1, and spread betting.
Leverage is not the problem. CFTC and NFA
regulation is.

As an American, residing in the US, we should have
the same opportunities and our European
counterparts. At present, we don't because
Americans are being discriminated due to rules and
regulations imposed by the CFTC and NFA that take
away our "freedoms".

I propose that the CFTC and NFA either loosen
regulations or be dismantled as an organization.

commenter_name: Daniel Ng

commenter_firm: Individual Investor

commenter_withhold_address_on: ON

commenter_address1: 172 Virginia Avenue

commenter_city: Dumont

commenter_state: New Jersey

commenter_zip: 07628

commenter_phone: 4152514642

From: Craig Malmfeldt <craigmalm@gmail.com>
Sent: Monday, March 1, 2010 1:18 PM
To: secretary <secretary@CFTC.gov>
Subject: RE: Proposed change to restrict retail forex to 10 : 1 leverage

To whom it may concern:

I am writing to express my dismay with the proposed change to retail forex regarding limiting leverage to 10 : 1. I believe it unnecessary for the government to regulate citizens to that degree. I am a big boy and able to manage my funds such that I will not wipe myself out in one or two trades, or even 100. I have traded forex in the retail market for about six years. I have never been negative more than \$300.00 from my original starting amount. That is not to say that I have never suffered a loss greater than 300 but I am saying I have never suffered losses that took me more than 300 below my initial startup capital. With good money management and conservative trading this is very doable.

All I see that will happen from the intended protection of people too stupid to be trading anyway is the flow of capital offshore where the restrictions don't exist. The long term effect of that will be the loss of American jobs held by those people currently working for American forex brokerages.

Please reconsider this regulatory move to limit retail forex leverage that drastically.

Craig C. Malmfeldt
770-889-0758

From: Maxwell, Roderick <Roderick.Maxwell@directenergy.com>
Sent: Monday, March 1, 2010 1:52 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I'm an investor in foreign currency through a U.S. dealer. I am very concerned about the proposed rules from the CFTC. The CFTC's recent rule proposal (RIN 3038-AC61), which would limit customer trading leverage to 10 to 1, would be a crippling blow to the U.S. forex industry. This unsustainable rule would drive U.S. forex dealers, which brings tens of millions of dollars into the U.S. banking industry each day, offshore into the hands of foreign competitors. It would encourage fraud both at home and abroad as customers seeking to trade retail forex would have no other legitimate domestic alternative.

As an investor, I would be forced to take my business outside of the United States. Retail forex fraud is not something that is caused by the actions of retail forex dealers; rather, it is caused by unlicensed con-men who masquerade as forex experts promising silly and unjustifiable returns before disappearing with customer funds. That is why I fully support the CFTC's rule requiring all introducing brokers be licensed. That rule will solve forex fraud, not 10 to 1 leverage.

Please say "NO" to excessive and harmful regulation that would drive business, capital, and jobs out of the United States.

Sincerely,

Roderick Maxwell

Sr. Account Manager

Direct Energy Business

909 Lake Carolyn Pkwy.
Irving, TX. 75039

Phone: 972.373.2256

Mobile: 972.822.6591

Fax: 1.866-947-0679

roderick.maxwell@directenergy.com

Picture (Metafile)

The information contained in or attached to this email is intended only for the use of the addressee. If you are not the intended recipient of this email, or a person responsible for delivering it to the intended recipient, you are strictly prohibited from disclosing, copying, distributing, or retaining this email or any part of it. It may contain information which is confidential and/or covered by legal, professional or other privilege under applicable law. If you have received this email in error, please notify us immediately by return email.

The views expressed in this email are not necessarily the views of Centrica plc, nor its North American subsidiaries, and the said companies and their respective directors, officers and employees make no representation, nor accept any liability, regarding its accuracy or completeness, unless expressly stated to the contrary.

From: Ken Krekel <ken.krekel@gmail.com>
Sent: Monday, March 1, 2010 2:29 PM
To: secretary <secretary@CFTC.gov>
Subject: RIN 3038-AC61

March 1, 2010

To whom it may concern:

In regards to **RIN 3038-AC61**, there are several items with which I concur.

1. All Forex brokers and managers should be registered.
2. These managers and brokers should fall under the jurisdiction of the CFTC.

There is a second item with which I deem **questionable**, namely the increase of capitalization to brokerages. I am fearful that this may stymie legitimate startup entrepreneurs.

There is one item that I **sternly oppose**. That is the change to maximum leverage of 10:1. I consider this intrusive and unnecessary. I applaud the Commission's intent on protecting the public. However, I view this protection of a very few at the cost of freedom to many. I support risk management as a most important tool in the Forex business. I do not support regulatory risk management from outside forces.

I support business in the United States of America.
I fear that a change in this one simple rule of leverage will drive more business off our shores.

Respectfully,

Ken Krekel

1119 Rammers Ave.
Louisville, Ky. 40204-1911

Ken.Krekel@gmail.com

502.637.6548

From: Stanley.B.Parks@wellsfargo.com
Sent: Monday, March 1, 2010 2:55 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear David Stawick, Secretary, Commodity Futures Trading Commission,

We appreciate your thoughts and concern over the regular retail trader. Since there is no regulation over how the market makers and brokers deal with the retail accounts, it seems more prudent to spend the energy and regulation to the businesses that promote this industry. To reduce the opportunity for retail traders only pushes them overseas to people that probably really don't have the retail trader in mind.

Stanley Parks

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click the link below for a video

<http://www.ncntv.org/events/homeownership07/archive.cfm?id=8597&type=wmhigh>

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From: mark haigler <markhaig2x@yahoo.com>
Sent: Monday, March 1, 2010 3:42 PM
To: secretary <secretary@CFTC.gov>
Subject: RIN 3038-AC61

Gentlepersons,

Please do not support this legislation (RIN 3038-AC61). Regulation of retail forex is not in the consumers best interest. For there to be any worthwhile profit, leverage as it is must not change. Yes there is a high risk of loss, however with proper education risk is diminished to an acceptable level.

As one who lost his business in this recession, trading forex has allowed me to earn an income. I do not believe there will be opportunities again as there were when my business thrived. Forex trading is allowing me to survive, please do not take it away.

Please, no regulation of leverage.

Respectfully,

Mark Haigler

From: daryldm@yahoo.com
Sent: Monday, March 1, 2010 4:51 PM
To: secretary <secretary@CFTC.gov>
Subject: 17 CFR Parts 1, 3, 4, 5, 10, 140, 145, 147, 160, and 166 Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries
Attach: NFAproposedRulemaking20100301.doc

Please consider the attached comments. Thank you.

Daryl Mercer

March 2, 2010
P.O. Box 11202
Bainbridge Island, WA 98110

Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Dear Sirs:

I am a forex trader and am writing to provide my comments and express my concerns about the proposed leverage reductions being considered by your organization. I believe the proposed changes will profoundly affect my profession.

I have dedicated myself to trading and have spent a considerable amount of time and money to become a proficient trader. I now trade full-time.

I understand and appreciate the risks associated with the higher leverage typically offered by forex brokers. Obviously, leverage can work for you or against you, depending on your knowledge of the market, your application of proper money management principles, and the integrity of your brokerage firm.

By lowering the leverage to the proposed 10% level, you are effectively requiring me to substantially increase the funds in my unprotected trading accounts to support the same level of trading and profitability. These substantially larger cash reserves are not protected by the SIPC or any similarly chartered organization and can be completely lost should the broker go out of business.

I understand and appreciate that your organization has responsibilities to try to keep the playing field as level as possible and I appreciate the changes you have made to clean up the brokerage side of the business. I suggest that you also require brokerages to no longer treat an individual with a trading account as an unsecured creditor. They should be required to structure their brokerage in such a way that they cannot use deposited funds as their own piggy bank, similar to what stock brokerages are required to do. For the most part, the brokerages that I have dealt with seem to be doing a much better job. Thank you for that. If I enter into a bad trade, I have nobody to blame but myself for the outcome and I can accept that and use the information from that trade to learn and improve. However, I have virtually no power to correct the situation if my broker is treating me unfairly.

Finally, please recognize that I am a professional traders and take my trading very seriously. I do not require, nor do I desire, the government to “protect” me by enacting the rule changes that you have proposed. It will not accomplish its intended goal. It seems counterintuitive that, if over the age of 21, I am allowed to completely destroy my financial life and that of my family in a casino where the odds of just breaking even are impossibly large, while at the same time, the government feels compelled to protect me as a professional trader from myself.

Please reconsider your proposed rulemaking. Thank you for your consideration.

Sincerely yours,

Daryl Mercer

From: Nick Luebcke - gm <nicklocated@gmail.com>
Sent: Monday, March 1, 2010 4:56 PM
To: secretary <secretary@CFTC.gov>
Subject: 10:1 MARGIN CHANGE - DON'T DO IT!

Dear Sir, - even though only a woman would dream this one up.

Please do not do 10:1 on Forex – it's too feminine.
This will cripple the little trader. Man up over there!

The Federal Govt. has bent over backwards for the Bankers - please do not hurt the little investor.

**IF YOU CHANGE LEVERAGE TO 10:1
MARGIN ON FOREX.....I WILL
REMEMBER THIS PARTY AND
ADMINISTRATION AT THE BALLOT BOX
THIS NOVEMBER AND IN 2012 AND
BEYOND.**

Nick Luebcke

From: Nick Luebcke - gm <nickllocated@gmail.com>
Sent: Monday, March 1, 2010 4:58 PM
To: secretary <secretary@CFTC.gov>
Subject: Retail Forex

Dear Sir, - even though only a woman would dream this one up.

Please do not do 10:1 on Forex – it's too feminine.
This will cripple the little trader. Man up over there!

The Federal Govt. has bent over backwards for the Bankers - please do not hurt the little investor.

You must be a bunch of Girly Men over there.

**IF YOU CHANGE LEVERAGE TO 10:1
MARGIN ON FOREX.....I WILL
REMEMBER THIS PARTY AND
ADMINISTRATION AT THE BALLOT BOX
THIS NOVEMBER AND IN 2012 AND
BEYOND.**

Forex Retail Trader -
Nick Luebcke

From: aalrj@netscape.net
Sent: Monday, March 1, 2010 4:59 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

March 1, 2010

David Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, DC 20581

Re: Regulation of Retail Forex

I am very concerned about the new CFTC 10:1 leverage limits that may be enacted later this year. Based on the internet and e-mail chatter, I am not alone with this concern. And at a time when President Obama and all of our government leaders are trying to prevent a double dip relapse in the financial system, I do not believe a new regulation that will kill jobs and small businesses, and eliminate tax revenue is what they have in mind.

Unemployed for 18 months, I have applied at over 250 jobs with no success. Maybe my last manager was right, at 50 I am too old, too expensive, or just over-qualified for most of these somewhat easy jobs. Unfortunately, my failure to land one of these easy jobs has exhausted all of my savings and retirement funds. In a few months my family of five (including a 1-yr old baby) will be faced with foreclosure on our home and bankruptcy.

BUT one possibility to create enough income to pay the bills is Forex. I have been training and testing for many months and plan to start live trading this month with a small account, but now I see that this "opportunity" is going to be eliminated just as I start it up...and by a new government regulation designed to protect me???

It also appears this regulation will ship many broker jobs overseas since many thousands of small Forex traders like myself will have to close their safe US based accounts and open riskier accounts within the London, Swiss or other brokerage locations available offshore. I am sure our friends across the pond are salivating over the prospect of hundreds or thousands of US Forex traders moving their funds to unrestricted accounts.

I would not bring criticism of this regulation to your desk without bringing up a potential solution that would benefit brokers and new traders, and possibly create a few jobs.

Instead of implementing CFTC 10:1 leverage limits to protect rookie traders, why not require these new investment traders to acquire a professional certification in Forex. This would at least confirm the traders know the risks of investment leverage and more importantly, how to implement loss control. A 2nd piece of this process is that brokers should certify all traders on their trading platform to help prevent accidental losses.

Unless there are overwhelming reasons for this restrictive regulation, please consider making the right decision for all of us little guys trying to survive this horrible recession.

Sincerely,

Larry Jones

cc:
President Barack Obama
U.S. Senators Kay Bailey Hutchison and John Cornyn

From: Raevyn <raevyn@aeryaen-nocturnae.com>
Sent: Monday, March 1, 2010 5:56 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To whom it may concern,

I am irritated by the new proposed regulation of this market. We do NOT need to be treated like we are children, nor need to have 'mommy and daddy' watch over our transations and what we spend or lose. This 10:1 proposal should not be passed. If it is, then many traders, myself included, will leave the US based brokers for overseas companies, which in addition to taking away many MORE American jobs from the already damaged economy, will make tax enforcement that much more difficult as well. In fact, I may be forced to have to LEAVE the United States because of it. Our government has become to big and socialistic more and more and this is just another fine example of it getting worse.

I also do not like the proposal to require ALL FCM to be registered. Although a good idea in theory, to help slow and stop scams, the fact is that unless you charge absolutely NOTHING to become registered and a member, you stand to make a substantial sum of money for this (thinking your biased) and it wont really do much for scammers since they can go offshore.

Just BUTT out! We are doing fine and really, people need to be following the "buyer Beware" philosophy anyway!

Tom

From: Steve Dang <stdang@csu.fullerton.edu>
Sent: Monday, March 1, 2010 6:01 PM
To: secretary <secretary@CFTC.gov>
Subject: Another Comment on "Regulation of Retail Forex"

Hi I'd also like to comment my opinion on behalf of the average joe trading retail forex. I read the article on babypips from *Andrei Pehar, Chief Currency Strategist at fxKnight.com*.

Andrei says: "I am not opposed to regulation nor regulatory agencies. But that regulation needs to be **fair, transparent, and open to public input**. Otherwise it becomes corrupt and self-serving. Sure high leverage can get you into trouble if used thoughtlessly. Sure hedging when not done properly turns one loss into two. But I believe the cure is **EDUCATION**, not restricting what people can and cannot do with their investment decisions. Guide, don't dominate - government was invented to protect people and their property, not to limit their potential.

After reading this article, I must say that I agree. Agree so strongly that it has taken time out of my day, instead of simply reading over my normal internet rounds waiting for the next internet regulation to restrict me from doing something else. anyways, thanks for reading my opinion.

RIN 3038-AC61

-Steve Dang
Active Retail Forex Trader

From: meher ben abdeslem <meheryessir@gmail.com>
Sent: Monday, March 1, 2010 6:12 PM
To: secretary <secretary@CFTC.gov>
Subject: comment on the retail forex rule

hello

i am meher ben abdeslem

a small new trader whom have just begun...

i am using the leverage of 100:1 my initial investment was 1000\$ and now it's turned to 1500\$

i am doing quite good with this leverage...

a leverage of 10:1 will end my trading, at least with my American broker, cause with this i will just be able to open 1 minilot

and believe me there are so many other traders like

i respect your voluntary to secure the forex trading in USA but I think this will be better by controlling the brokers for probable manipulations...rather than excluding traders and disadvantaging American brokers among their competitors..

this rule i believe is a bad solution

please don't pass it !!!

and don't forget the American freedom

this is the foundation of all the nation!!

yours sincerely

From: Sampath & Suba <samnsuba@gmail.com>
Sent: Monday, March 1, 2010 8:12 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

RIN 3038-AC61

*Just want to let you know I am a budding FOREX trader and am **against** the leverage limit of 10 under the new proposal.*

*Thanks for hearing my voice
Sam R*

From: Miltiadis Pavlidis <pavlidis.miltiadis@gmail.com>
Sent: Monday, March 1, 2010 8:34 PM
To: secretary <secretary@CFTC.gov>
Subject: retail forex

Hello,

I am very concerned about the proposal to increase the margin requirements for Retail Forex, for more than one reason.

First, on the personal level, I have been training for a year to be a trader. I am about to launch my trading business as a corporation.

A new regulation like this would severely limit my ability to grow my trading account.

I am 60 years old, my retirement savings are not going to last a lifetime.

Yet, now after this year of intense study and training I am confident I know how to manage the realities of leverage and loss control. I am confident I can do this and do well.

What alternatives do I have? Even though I am smart and technically skilled, no one is going to hire me at my age.

And, I am not alone...there are likely hundreds of thousands like me in my age group with no employment future....and probably millions of younger Americans who will be unemployed or underemployed for a long time. The jobs shipped to India (tech jobs) or China (manufacturing) are not going to come back.

In response to this, many, many US Citizens are learning to trade. Some are going to do well, if you don't change the regulations. There is an infrastructure being built out now in the educational and brokerage firms, and even the banks, that are preparing to serve this new demand. Please take a look at this. It is not small.

Those people who are suited for the career of trading, allowing themselves to become well prepared, practiced, and trained, will have self created jobs, they will be paying local taxes, and Federal taxes. They won't need unemployment, and they have money to spend in their local economies. Not only that, they can work from home, creating less demand for oil, and less traffic.

(Not everyone will have an aptitude for this work...but many will.)

The use of leverage in the Forex retail market is a beneficial thing to a person with the right skills to use it. It is not like giving a mortgage to someone who has no money. And, it is not the same as the leverage created by the Investment Banks that caused the financial system to almost collapse. It is not the same dynamic, and its scope is very small. Please don't make the mistake of seeing all leverage as evil. The leverage in the Forex market, if used wisely, allows a well trained individual to create an income for himself, and his family, without relying on the external job market, and without the need to have a million dollars to invest.

BUT, beyond that...there is now an infrastructure being built in the US to serve the retail Forex trader. If you implement the higher margin requirements, first this infrastructure and all the jobs that it is creating, is about to create, and will be creating, and all the tax revenue that goes with the business income, and those jobs, is going to disappear. It will never form.

Instead it will grow outside your jurisdiction. You will be giving all the transaction business to London or Switzerland, or even in the future, to Hong Kong or Singapore. Or Australia or New Zealand....I'm sure they would love to have the business. The only limitation is how they can access the fastest internet backbones.

There are already very good, highly regulated Swiss Forex brokers, more than willing to accept the US customers you would be pushing away. The same for London.

(By the way, London probably has more Forex transactions than the USA in any given day. The US is the second market.)

If the US Forex Retail Trader moves his accounts to London or Zurich, that in turn would force US Retail Forex

Brokers, if they wanted to stay in business, to move offshore outside your regulation, taking the jobs with them, and the payroll tax revenue, if not more.

You have a tremendous opportunity here to allow the formation of a new industry in the United States....one where well trained individuals (i.e. "taxpayers") can participate in the truly massive and dynamic world's currency markets, having equal access as the worlds largest banks. This type of access is relatively new...with a new type of Retail Forex Broker building out the infrastructure and creating a base for secure and integrous transactions required by the Forex trader.

Really, I cannot see any positive outcome for our country, if these regulations are implemented.

Actually I would suggest the opposite....keep the margin requirements as they are, and institute college level trainings for a person to enter the self-employed trading profession, so, if they are capable, can compete against the giants with success. The tax system and local economies will thank you.

Thank you.

From: Greatestsale, Inc. (Alex) <alex@greatestsale.com>
Sent: Monday, March 1, 2010 9:05 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To David Stawick, Secretary, Commodity Futures Trading Commission

Dear Sir,

I am writing to protest the changes that are being contemplated for retail Forex.

Currently being considered is to set the maximum leverage for US retail Forex to 10:1.

OUTRAGEOUS!!!!

You will kill a golden cow for new and small investors alike.

I am a small, active and successful part-time retail Forex trader. If this rule goes into effect, you will render my ability to trade safely null and make it harder than before for me to profit on safe, solid trading behavior! This, in turn, will force me to either take GREATER RISKS to make up for lost profits OR make me move my trading account off shore to the more friendly and sanely regulated European market to gain reasonable leverage options, e.g. - 100:1.

If the true intention is to protect American investors, you need to provide and enforce EDUCATION and TRANSPARENCY by all BROKERS. Punishing or restricting grown adults and treating them as children is not the way. I took the time to educate myself, I reviewed all information related to my broker, leverage, risk, how retail Forex works, etc. and made MY OWN INFORMED decision to open an account and trade Forex.

My broker offers a RANGE of leverage options - from 100:1 down to 10:1. The option to adjust leverage as needed is available at any time to all account holders to adjust/lower their leverage, if they VOLUNTARILY CHOOSE to, down to 10:1. I FREELY choose to maintain mine at 100:1. I do not want it to be forced onto me. If I had wanted no option but 10:1, I would have chosen a broker that only offered that! They are out there!

What you need to do is enforce a rule that guarantees that brokers are free to offer a wide range of leverage ratios BUT must offer leverage as low as 10:1, as an OPTION...a CHOICE for clients. This should not be forced onto traders!

Forcing 10:1 leverage onto traders will only drive many small brokers out of business, move money and JOBS offshore and guarantee further economic decline and dissatisfaction in this country. Please ensure CHOICE and competition for traders!

Thank you for your time and attention
Alex

From: Bob Pantano <fxbobp@yahoo.com>
Sent: Monday, March 1, 2010 9:15 PM
To: secretary <secretary@CFTC.gov>
Cc: Bob P <fxbobp@yahoo.com>
Subject: Regulation of Retail Forex

Sirs,

I, like many Americans, lost my job with the financial downturn. I have also been trading forex for several years & have stepped-up that activity with the loss of my job. Along with money management, this income is helping to pay the bills.

Unable to be sufficiently capitalized, I believe that the 10:1 rule would severely hinder my forex activity.

The NFA requirements regarding the removal of stop losses and FIFO has already moved me to open a UK-based account while keeping a US acct. The 10:1 may require all of my forex accounts to be transferred to the UK.

Multiplying these transfers to the UK on a larger scale, I can see this only hurting the US economy.

I am agreeable to a 50:1 leverage - as I already have that leverage to benefit from carry trades on two accounts that require the 2% (50:1) leverage.

I would rather propose

1. A leverage restriction for high capitalized accounts - eg trading volumes over \$ 10mil
2. A leverage restriction on high-frequency trades, whether manual or robot-based.
3. If necessary, a 50:1 leverage limit is acceptable for all other accounts.

As a side note, in my humble opinion, it is ironic that the largest market in the world (spot forex) does not have it's own regulatory body - as compared with the equities and futures markets. This body can focus exclusively on retail forex. It would regulate brokers to ensure fair practices (citing Refco), propose changes (as the NFA has done), perhaps even clarify the muddy area of tax treatment for forex. In turn, this would relieve these additional burdens from the CFTC and the NFA. It could start at the national level - with a goal of a worldwide body that oversees national or monetary bodies (eg the EMU)

Regards,
Bob Pantano
Individual forex trader

From: C Jenest <chomerj@yahoo.com>
Sent: Monday, March 1, 2010 9:46 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I am concerned about this new regulation, and hope that you will reconsider changing the leverage rules. My trading strategy requires a leverage of at least 100:1, which means that if this initiative gets approved I will no longer be able to trade using the same strategy and I will move my funds to another country. I assume many traders will do the same thing if the initiative becomes law, with the subsequent impacts on the economy and the creation of jobs within the U.S.

Thank you for your consideration.

From: Roger Edwards <roger_edwards13@yahoo.com>
Sent: Monday, March 1, 2010 10:26 PM
To: secretary <secretary@CFTC.gov>
Subject: new rules

I am not opposed to regulation nor regulatory agencies. But that regulation needs to be **fair, transparent, and open to public input**. Otherwise it becomes corrupt and self-serving. Sure high leverage can get you into trouble if used thoughtlessly. Sure hedging when not done properly turns one loss into two. But I believe the cure is **EDUCATION**, not restricting what people can and cannot do with their investment decisions. Guide, don't dominate - government was invented to protect people and their property, not to limit their potential. I look forward to your decision.

Roger Edwards
Forex Trader
IBFX Platform

From: Jim Barker <jbarker@nixlike.com>
Sent: Monday, March 1, 2010 10:31 PM
To: secretary <secretary@CFTC.gov>
Cc: jbarker@nixlike.com
Subject: Regulation of Retail Forex

Dear Secretary Stawick,

I am writing this email in regards to RIN 3038-AC61. As I understand a most serious ramification of this proposal by CFTC is that it intends to reduce the maximum leverage rate from 100:1 to 10:1 and I am greatly opposed to that idea.

Let me start by saying that I am quite familiar with what can happen when leverage is wielded irresponsibly. I personally experienced a very painful, self inflicted, negative outcome in early 2000 from the result of some S&P 500 index futures trades I made at the time. I learned from that experience that if you improperly wield leverage it can be detrimental to an investment strategy.

Having said that, since that specific incident I have also learned that if used properly it can make possibilities reality and can only exist with a leveraged tool such as forex trading. I have very recently changed my short term investment strategy from commodities and futures to forex for this very reason. I greatly appreciate the flexibility that this market provides for me and my family. I think this part of the proposal should be stricken from consideration because it is not the government's job to save people from themselves. In attempting to do so you limit those people who have invested time, money, and considerable resources from profiting from their hard earned lessons.

I truly hope that common sense regarding this matter prevails as people's confidence in the government's ability to exercise common sense is fading in my opinion.

I greatly appreciate the fact that I even have an opportunity to express my concern in this matter and sincerely hope it can make a difference.

Regards,
Jim Barker

From: wendy zhou <wendy23_99@hotmail.com>
Sent: Monday, March 1, 2010 10:44 PM
To: secretary <secretary@CFTC.gov>
Subject: ratio change

I prefer the current ratio. I don't want to change.

Hotmail: Free, trusted and rich email service. [Get it now.](#)

From: Patrick Balducci <patrickbalducci@yahoo.com>
Sent: Monday, March 1, 2010 11:29 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex - Public Comments

Sir, Madam

I'd like to respectfully bring to your attention **the serious consequences of limiting leverage to 10:1.**

I trade forex for a living to solely support myself and my children in this difficult economic times for our country (my wife passed away in 2008).

I chose to open a trading account with a U.S based forex dealer merchant (FDM) that is a member of the National Futures Association and is registered with the CFTC as a Futures Commission Merchant (FCM). I believe that the funds in my trading account are safe due to the oversight provided by the NFA and the CFTC. **The NFA which has more expertise when it comes to the structure and dynamics of the Retail Forex Market already enacted rules in November 2009 limiting leverage, banning hedging and imposing FIFO.** (4) Four months is not enough time for the CFTC Commission to evaluate if the rules enacted by the NFA are sufficient or not to meet the CFTC concerns about risks disclosures to customers. **Therefore if the proposal of limiting leverage to 10:1 come to pass it will be premature and clearly over - restrictive and run contrary to the CFTC stated goal of protecting U.S retail forex traders against unscrupulous retail forex brokers by forcing me and thousands of fellow U.S based traders to move our trading accounts to Canada,the UK, Switzerland, Dubai and other countries where there's no limit on leverage but where the regulatory environment is not always on par with what we have in the U.S. The second obvious grave consequence is that this proposed rule will put out of business American retail forex brokers with the loss of directly and indirectly of thousands of good paying American jobs. It will also be a gift to foreign forex retail brokers who have already begun to widely advertised on the internet that the current and future NFA/CFTC regulations don't apply to them and are trying to lure more U.S based traders. Is the CFTC willing to accept these dire consequences when our country is still in a recession with a 10% unemployment rate? We traders cannot make a living and support our families with only a 10:1 leverage limit. This proposed rule will not "protect" me nor my fellow traders from losing money when trading forex but to the contrary: it will only hurt my trading profits by limiting my positions size and prompting margin calls sooner.**

All the U.S. based Forex brokers - dealers already comply with the NFA disclosures requirements about the risks involved with forex trading on margin using leverage. It's been my experience with meeting forex traders at trading events and participating in online trading forums that the overwhelming majority of forex retail traders are sophisticated investors who understand the risks they're taking when using leverage. Leverage is more or less risky depending on the strategy. An arbitrary limitation of leverage to 10:1, 50:1, 100:1 etc.. is meaningless unless the trading strategy employed is referred to also. One size doesn't fit all.

I strongly believe that by simply requiring clients of retail forex brokers to take an online competency test to verify and certify that the particular client understands the true risks involved in using leverage; and depending on his passing score he gets "qualified" to trade with 100:1 or 50:1 or 10:1 etc..maximum leverage to protect him/her from himself/herself. If the CFTC is worried about retail forex brokers-dealers "taking advantage" of uninformed customers/traders through leverage then certifying the traders should resolve that concern.

Sincerely,

Patrick Balducci
153 Wycoff Street
Brooklyn -NY- 11217